

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Coop Sugar Factories – Government Guarantee for Rs.175.00 crores for availing financial assistance from the APCOB for Working Capital requirements in respect of (6) Coop. Sugar Factories – Orders - Issued.

INDUSTRIES & COMMERCE (SUGAR) DEPARTMENT

G.O.Ms.No. 29

Dated:04-04-2013
Read the following:-

1. G.O.Ms.No.124, Ind. & Com. (Sug.) Dept., dt.23.12.2011. .
2. From the Commissioner of Sugar & Cane Commissioner, Hyderabad
Lr.Rc.No.2313/2012/D1, dt.09.11.2012 & 05.01.2013.

ORDER:

The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad in the reference 2nd read above has requested the Government to issue necessary orders extending un conditional irrevocable Government default Guarantee for both principal and interest, in favour of A.P. State Cooperative Bank Ltd (APCOB), Hyderabad for credit authorization for working capital finance (Sugar pledge loan) to an extent of Rs.175.00 crores in respect of the following 6 Coop. Sugar Factories which are having negative net worth to enable the Cooperative Sugar Factories to avail working capital loan including CC Hypothecation limit from Andhra Pradesh State Cooperative Bank Limited for 2012-2013 season:

SI. NO.	Name of the Cooperative Sugar Factory	Working capital loan sanctioned by APCOB (Rs. in crores)
1	Chittoor Coop. Sugar Ltd., Chittoor, Chittoor Dist.	34.00
2	Sri Venkateswara Coop. Sugars Ltd. Gajulamandyam, Renigunta, Chittoor Dist.	35.00
3	Anakapalle V.V.Ramana CS Ltd., Thummapala, Anakapalle, Visakhapatnam Dist.	15.00
4	Sri Vijayarama Gajapathi CSF, Bhimasinghi, Vizianagaram Dist.	25.00
5	Kovur Coop. Sugars Ltd., Nellore Dist.	26.00
6	Thandava Coop. Sugars Ltd. Payakaraopeta, Visakhapatnam Dist.	40.00
	Total A:	175.00

2. The Government, after careful consideration of the proposal, hereby order to extend un-conditional irrevocable Government default Guarantee in favour of APCOB, Hyderabad for credit authorization to the extent of Rs.175.00 crores (Rupees One hundred and seventy five Crores only) for the crushing season 2012-13 in respect of 6 Coop. Sugar Factories shown at para 1 above which have negative net worth, so as to enable the Coop. Sugar Factories to avail working capital loan including CC

hypothecation limits valid upto 30.09.2013 on sugar stocks and material from APCOB. The Managing Director, APCOB, Hyderabad is requested to sanction/release the amounts to the above mentioned six (6) Cooperative Sugar Factories, for the amounts indicated against each.

3. Government liability will arise only after the Bank has exhausted / taken all steps to recover their dues, including disposal of assets, and only thereafter, approach the Government for the balance amount of default guarantee.

4 The Managements of the Cooperative Sugar Factories shall pay Guarantee Commission @ ½ percent per annum before execution of Guarantee Deed, and also repay the loan amount, as per the terms and conditions of the APCOB, Hyderabad duly informing the APCOB that this guarantee is for principal amount only.

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5 The Commissioner of Sugar and Cane Commissioner, A.P., Hyderabad shall ensure that the Managements of the above Sugar Factories prudently manage their finances and repay loan obligations themselves. He shall monitor utilization of loan funds as well as all other funds, including the revenue generated from sale of sugar. He shall inform the actual amount released by the APCOB, Hyderabad to the aforesaid 6 (six) Cooperative Sugar Factories, to execute default Guarantee by the State Government.

6 Separate Guarantee Deeds will be executed by the Principal Secretary to Government, Finance Department, after the actual amounts are sanctioned by the APCOB, Hyderabad.

7. This order issues with the concurrence of Finance (Exp.I&C) Department vide their U.O.No.124/39 /Expr.I&C/2013, dt.06.02.2013.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K. PRADEEP CHANDRA
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Sugar & Cane Commissioner, AP, Hyderabad.
The Managing Director, A.P. State Coop. Bank Ltd., Troop Bazar, Hyderabad-500 001.
The National Cooperative Development Corporation, New Delhi.
The Managing Directors of concerned Coop. Sugar Factories, through
the Commissioner of Sugar & Cane Commissioner, AP, Hyderabad.

Copy to:

The P.S. to Secretary to C.M.
The P.S. to Minister (MI, Sugar)
The P.S. to Minister (Finance)
The Accountant General, A.P., Hyderabad.
The Director of Treasuries & Accounts, Hyderabad.

The Finance (DMC) Dept.
The Finance (Exp.I&C) Dept.

// FORWARDED:: BY ORDER//

SECTION OFFICER